

Q1 2001 International
(prepared on 5-13-01)

PLEASE NOTE THAT ALL CONFIDENTIAL INFORMATION HAVE BEEN SHADED

1. **OVERVIEW**

a) Personnel

As of today, CJ International consists of 23 people organized in 7 countries and selling all of CJ's offerings as well as recruiting and servicing all international clients.

Santa Barbara – Primarily provides support to our overseas team for all operational, technical, training, marketing, sales, client services and successes.

- International Operations, Technical, Web Management, Localization.
- Client Services Logistics, training of CS personnel, Account Development
- Business/Account Development, Preparation of Collaterals
- International Marketing and PR, Trade Shows, Mgt. of Responsys
- Latin America Bus. Dev, International Sales Coordination, intelligence
- Latin America Client Services, International support
- Administrative Assistant, Responsys Coordinator

Amsterdam – Provides Client Services and Account Management for Europe and responsible for Sales in Benelux, Germany, Eastern Europe and Africa.

- GM, Sales for Benelux/Africa & Middle East, Client Services for Europe
- Sales and Marketing Manager, Benelux, Germany
- Client Services Manager, Europe
- Client Services Executive, Europe

Hong Kong – Provides Client Service and Account Management for Asia as well as sales for all of Asia minus Japan

- GM, Sales and Client Services for Asia
- Sales and Marketing Manager, Asia Pacific
- Client Services Manager, Asia

London – Provide sales and Business Development in UK and Ireland and some account management

- GM, UK and Ireland
- Sales and Marketing Manager, UK and Ireland, UK Account Management
- Bus. Dev Manager, UK and Ireland
- Administrative Assistant

Paris – Provides Sales and Business Development in France and Southern Europe including Italy, Spain and Portugal

█ – GM, France and Southern Europe
 █ – Sales and Marketing Manager - 5-21 Start date

Oslo - Sales and Business Development for Scandinavia, Iceland, Greenland

█k – Sr. Sales and Marketing Manager

Japan – Sales and Business Development in Japan

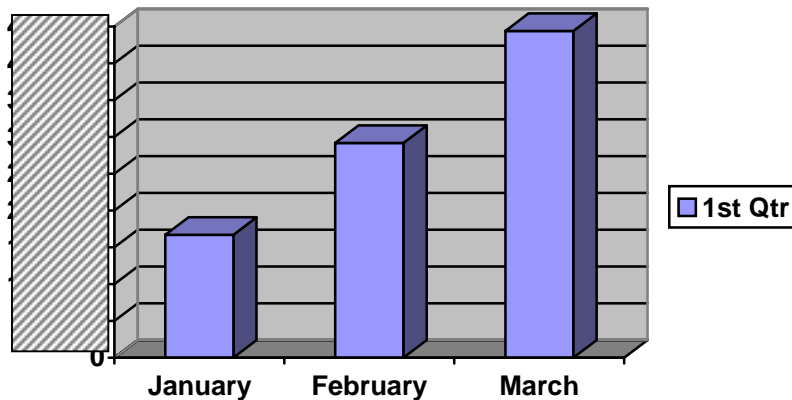
█ – GM, Japan

With dedicated personnel and a presence in the Americas, Europe and Asia, and extended coverage to other regions, thanks to partners, CJ can fully support its claim to be a “Global company.”

b) Revenues

As of March 31 international had 131 merchants made up of 14 CJR3, 24 CJR2 and 135 CJR1.

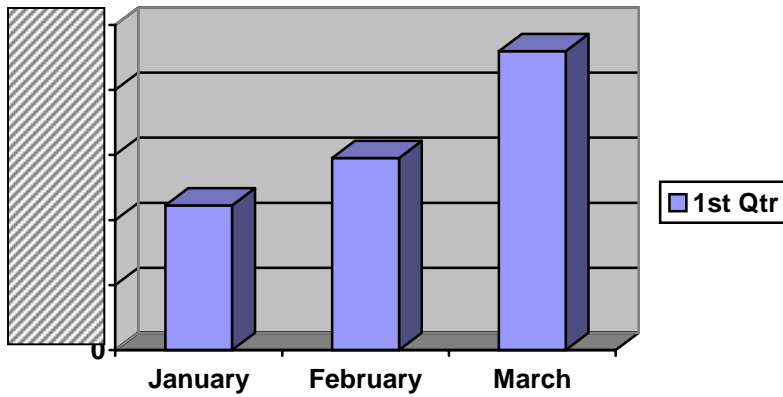
Overall revenues generated by international merchants have grown an average of 44.62% per month during Q1 as shown in the graph and table below.



Commissions paid by Merchants in Q1-01

December	January	February	March
\$█	\$█	\$█	\$█

During this period, Commissions paid to international affiliates have grown on the average of 34.32% per month.



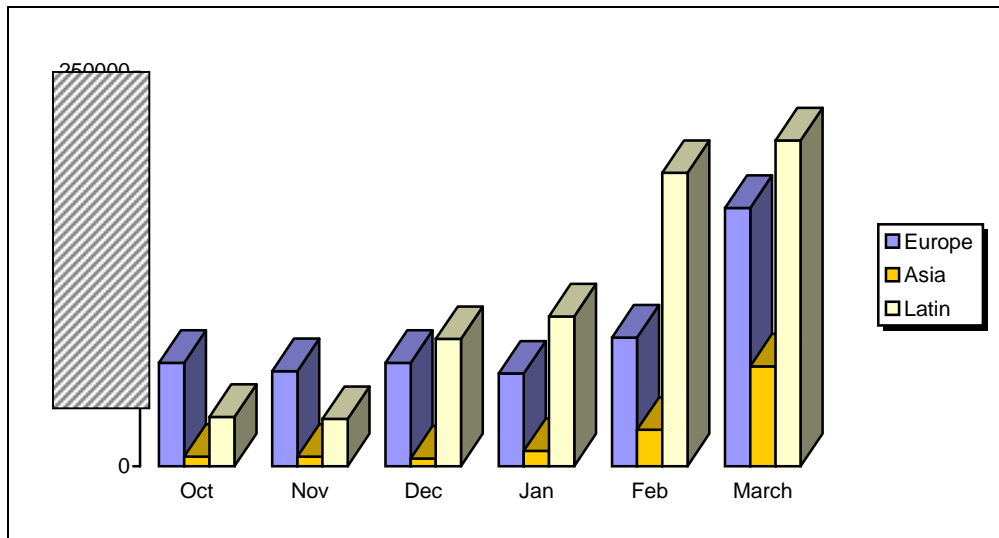
Commissions paid to Affiliates in Q1-01

December	January	February	March
\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

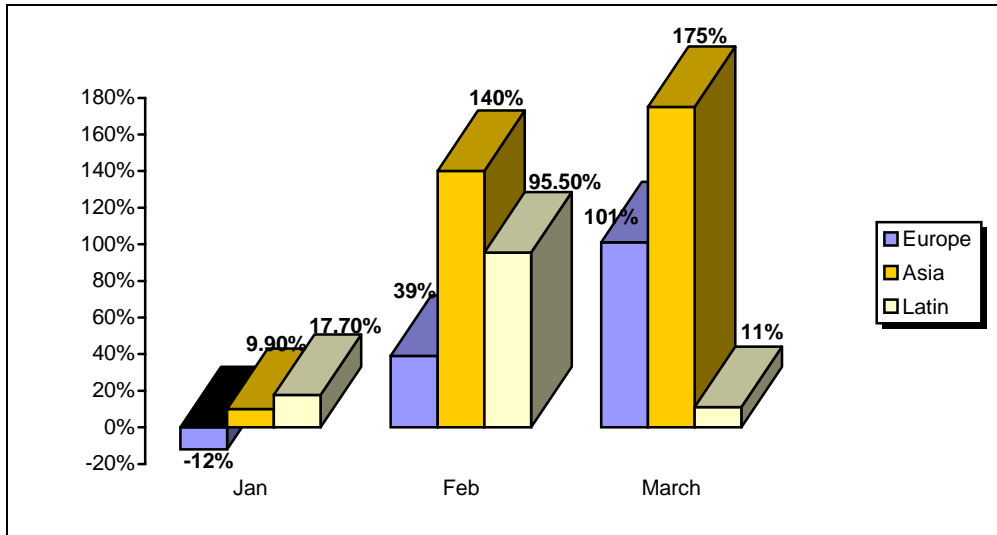
Compared to the same time last year, commissions paid during Q1 have increased by 4000% as indicated in the chart below.

	December	January	February	March
2000	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
2001	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

During Q1 2001, the growth in commissions paid by merchants was noticeable across the board and in all regions as shown below:



When translated into percentage, we can see that Asia leads in growth our international expansion followed by Europe and Latin America as shown below.



2. EUROPE

a) Business Development

The UK continues to be the driving force in Europe with a growth from 68 merchants on January 1, 2001 to 84 as of March 31, 2001. Some of the key merchants signed during this period in the UK include Capital One UK, Virgin.net, BUPA International and Mothercare,

To support the rapid growth of the UK, our European expansion plan was reviewed and an additional staff position was added to London operations. This position was created by re-allocating the Sale Rep. Position scheduled for Germany to London. As a result, we are postponing our expansion plan in Germany*. However, Business Development for this country will be provided by Len Clabbers from Amsterdam and by developing partnerships with German companies.

Affiliate Marketing seems to now be “moving” into continental Europe with demand rising in France and Italy. Merchants who have relied solely on CPM advertisement are now shifting their focus to alternate sources of advertising and Affiliate Marketing in particular. To address this need, and in order to allow the French/Southern Europe Sales team to be more effective, we are adding one person in the Paris’ office as per budget.

Notable merchants that have joined the CJ network include Forzieri in Italy, Laguiole

* While Germany continues to dominate Europe in e-commerce revenues, the market for affiliate marketing is still soft. However, recent dramatic short falls in on-line advertising revenues should raise the level of interest for affiliate marketing with both publishers and advertisers. We expect this demand to start growing toward the end of the year, as holidays’

demand for more advertising venues increase while costs concerns remain critical. As a result Germany will be reassessed in September 2001 and January 2002 and adjustment will be made accordingly.

in France and Gemshine in Spain.

Benelux is also continuing to grow at a steady pace and has added some prestigious names to its roster of merchants in Q1 including Chello, and Active ISP.

b) Client Services and Account Management

During Q1, International Client Services undertook a complete review of all CJ International merchants' accounts in order to identify simple problems and make recommendations on how merchants could improve their program. This exercise was also an opportunity for all client services members to share common values as far as our approach to reviewing accounts. From this first step, client services is now looking to improve our review by incorporating intelligence from our network including, revenues, impressions, affiliates, type of program, changes in program and impact, etc. This will allow a Client Services Manager to not only make recommendations on basic features for improving a merchant's program, but to give expert advise based on comparisons of other merchants' programs in similar categories. In addition, this will provide better targeting of the commission structure, affiliates and, as a result, establish better expectation and realistic goals.

Another goal of client services is to provide better training for our overseas staff and decentralize the client service offering by empowering each client service member with full responsibility and accountability. Evidently, some functions such as "load balancing" for technical integration will still be reviewed and coordinated from Santa Barbara.

c) Marketing

The bulk of our effort is targeted at the UK where we have devoted 80% of our European budget for Public Relations (we have contracted a PR person who dedicates 3 days a week to CJ) and promotions. As a result, we had a significant presence during Affiliate Solutions in February and we are planning to attend Internet World London between June 5 and 7.

Simultaneously, we are planning a one day seminar for our existing merchants (as well as some large potential merchants) on June 8 to explain how Affiliate Marketing works and how to run a successful program. This event will feature speakers from the industry, our merchants' pool as well as from CJ (██████) and will be attended by 50 merchants and super affiliates.

We are also planning to have an international web site completed by the time of this event. It features our offices around the world and includes affiliate sign up pages in multiple languages. In the first phase (June 1), we will launch these sites in English with localized addresses and contact names and numbers. Phase two (July 1) will include the localization of these sites in eight languages. Phase three (mid July) will include specialized content for some sites that will target the local market or region.

To insure that we are noted in the major European markets, we will also promote these sites on the major search engines and affiliates portals in Europe. Additionally, we are

planning to create a CJ International merchant account that we will use to promote affiliate marketing and to recruit affiliates.

Finally, we launched our new booth at Internet World Berlin in May. While this booth is a definite improvement as compared to the Pop-Up one, we are planning some improvements since 25% of the booth space is not efficiently utilized. To cope with lack of space and budget concerns, we have also reduced the number of workstations in the booth from four to two.

d) Operations

To facilitate communication, the office in Santa Barbara has now implemented a Weekly Review Report of its activities by department. This overview gives everyone in the department, both in Santa Barbara and overseas an opportunity to review on-going projects. Similar Weekly Review reports will be implemented in each office in order to inform everyone in international of on-going projects and as a result better communicate.

We are also planning a meeting for all European General Managers in London on June 4th, preceding IW London. This meeting agenda is as follows:

SALES ISSUES

- Goals for each office for the second half of 2001
- Client acquisition objectives
- Super Affiliates acquisition objectives
- Added Value Services
- Support from SB
- Support from other offices

I will expect to review and assign to some of you a limited # of PIPs that we uncovered and discussed in January and to have you prepare a plan of action (Bus. plan) that covers the second half of this year.

CLIENT SERVICES ISSUES

- Client Service Reporting, responsibilities and accountability
- Client Service structure
- Account Management goals
- Account Management procedure
- Workload and balancing
- Training and communications
- Support from SB
- Support from other offices

I will expect to complete this meeting successfully once we have all agreed on the best approach for running client services in a cooperative fashion with primary objectives of Client Services to services our field offices and support our sales effort.

MARKETING

- Objectives for the second half of 2001
- Web site content
- Web site positioning in search engine
- Trade shows and/or other events
- Support from SB
- Support from other offices

Now that the transition of this department to international is completed, there is much to be discussed and decided in terms of where and what we want to focus on for the second half of 2001. My goal is to use this meeting to define a series of goals (for each office) and have Biggi orchestrate a plan of action with the help of the Sales and Marketing Managers in each country.

OPEN DISCUSSION

- Overview of each Country/Region accomplishments, results, approach and exchange of ideas.

This idea was proposed by Pascal who would like to share with the other GMs in our approach to conduct business in the various countries and exchange ideas. I will ask that each GM prepare no more than a 10 minute presentation on what they feel they have achieved, what they are doing to drive their business, issues, etc. Following this presentation, we will open the conversation. Note that in view of the other issues to discuss, the time for this discussion will be limited to one hour. However, I encourage follow up discussions between the GMs and if need be, we could reconvene the following day to continue.

e) Market Share and Competition

Without any hesitation, we can say today that CJ is decidedly climbing the steps toward domination in the Affiliate Marketing arena in Europe. Thanks to our superior back end and a small but dedicated staff, we have demonstrated in the UK that, when language and currencies are not the issue, our solution has no rival. With over 90 merchants, CJ is the leader in Affiliate Marketing in this country.

Furthermore, today our competitors are retrenching and trying to find new venues of revenues since their “free everything” policies has been suicidal and drained their finances.

The landscape in Europe today consists of only two main players:

BeFree seems to want to re-invent its business model after limited successes in the UK, a complete failure in France and the debacle of BOL. I believe that at this juncture, BeFree has ceased to be a serious threat for CJ in any European market. However their continued efforts to deploy their offering in local languages pauses a threat to our legitimate claim of being a global company.

Trade Doubler remains the most active player in this field throwing “bodies” and \$ in their efforts to capture a significant foothold in the UK, and other key markets (outside of Scandinavia where they’ve been active for quite some time). However, and while taking this threat very seriously, I believe that Trade Doubler is over extended and has very high operational costs and as a result a very high burn rate for this market. Here too, it should be noted that Trade Doubler benefits from a back end in most European languages even though navigation through their site for an affiliate is cumbersome and time consuming while their interface is limited at best.

Other competitors such as UK Affiliates, 404 Found, Imediation, etc. are either too country “centric,” too small or limited, or have a very expensive solution and, as a result, present very little threat to CJ. Recently LinkShare has announced its intention to launch some kind of affiliate offering in Europe and in the UK in particular but their entry into this market is very late and I do not expect them to have any kind of significant impact.

One of the “big” unknowns, DoubleClick, has recently been taking steps that may indicate their plans to enter the affiliate marketing arena in Europe. Our plan is to follow their actions and assess on a regular basis.

3. LATIN AMERICA

a) Business Development:

While I do not anticipate Latin American e-commerce to grow substantially in the coming months, the recent successes of gambling sites (as illustrated below – mainly based in Costa Rica) targeting European consumers make it imperative that we dedicate some attention to this continent.

NAME	LIVE DATE	COUNTRY	CATEGORY	CJR	TOT COMM
[REDACTED]	[REDACTED]	Costa Rica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Costa Rica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Costa Rica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Sweden	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	United Kingdom	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Costa Rica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Hong Kong	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Costa Rica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Ireland	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	St. Kitts and Nevis	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	France	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	United Kingdom	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Hong Kong	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Netherlands Antilles	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	British Virgin Islands	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Dominica	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	Turkey	[REDACTED]	[REDACTED]	[REDACTED]

Of the top twenty international merchants in March nine are based in the Caribbean.

Furthermore, Gabriela will be working to develop relationships with US based Publishers that generate a substantial amount of traffic.

b) Client Services and Account Development

Gabriela is now working with Ben to better service and manage the account of our top international merchants.

This service should continue to improve with the anticipated return of Carlos who will work with Gabriela to insure that CJ's presence in this part of the world is felt thanks to our service as well as Gabriela's Business Development efforts.

c) Marketing

We do not anticipate allocation of any marketing budget for Latin America at this stage except for the promotion of the Spanish web site in search engines.

d) Operations

Latin America operations is located in Santa Barbara and there are no issues at this time.

e) Market Share and Competition

CJ Market share in Latin America is very limited since we have not developed our presence in this part of the world and do not have a back end nor payment to affiliates for most of these countries.

However, competition is very limited in Latin America with only BeFree servicing some merchants thanks to their relationship with Compaq.

4. ASIA

a) Business Development

While revenues generated by Asia are still low in terms of dollar generated for CJ, the actual growth in Asia has been quite tremendous during the first quarter of 2001 as indicated in the chart on page 4.

January	9.90%
February	140%
March	175%

This was made possible thanks to the acquisition of merchants and affiliates with great potential including GetFree Tshirt in Hong Kong, Free4All in Singapore, ListPower in Malaysia, Love Scent in Japan, Celebritywonder in Indonesia and Webzip in Australia.

Our strategy in Japan is to continue the “ambassador” approach and establish contacts with potential Strategic Partners and explore the feasibility of offering our services though one of these companies in exchange for some kind of investment or licensing agreement. To date, contact has been made with Sony ISP, Mitsubishi and other companies but no concrete offers have been made.

This strategy also applies to Korea where we had initial discussion with a large Korean group, Dacom

b) Client Services and Account Management

Overall Client Services in Asia has been able to service all Asian merchants adequately and has done a very good job assisting Europe with some integration and account reviews.

c) Marketing

Marketing in Asia has been “low key” with [REDACTED] and [REDACTED] spearheading this effort locally. This resulted in a number of stories in local newspapers and magazines giving an excellent level of exposure to CJ and resulting in a number of inquiries.

For the second half of 2001 we are planning to launch a limited PR campaign directed at the English speaking press in Hong Kong, Taiwan as well as Australia and New Zealand. Our objectives with this campaign is to generate press coverage that can be used around the world to better illustrate the global nature of our expansion.

In Japan, we are also planning to prepare customized Japanese brochures presenting the company achievements, growth and future potential. These brochures will be used to generate interest from the Japanese press as well as better introduce CJ to potential Strategic Partners.

d) Operations

There are no operational issues in Asia at this time.

e) Market Share and competition

In Hong Kong, CJ has taken a substantial market share vis-a-vis its two competitors, Value Commerce and AdForAll. Neither poses a threat at this time (Value Commerce has 5 merchants, Adforall has 10 and no capability outside HK for Adforall or Japan for ValueCommerce). As a result, CJ should have no difficulties dominating the Chinese speaking market and the Southern Asian countries (Australia, Singapore, Malaysia, Indonesia, Thailand, India, etc.) once we have the ability to offer double bite languages and offer our solution in some Asian languages.

In Japan, Value Commerce is very well entrenched and offers a customized solution in Japanese to its clients. Their market share is quite substantial even though most of their customers appear to be small to medium size on/off line retail businesses. One of ValueCommerce notable customer today is Sony Electronics.

Additionally in Japan, Linkshare has launched a program through a partnership established over a year ago and is now getting ready to offer its solution to Japanese businesses. It remains to be seen what level of success this solution will have in Japan and the effort that is put behind it to insure its success.

With both of these competitors already in place and offering a localized version of their back end, CJ is at risk of losing an opportunity to establish itself in the second largest market in the world. While we are trying to establish a strategic partnership in Japan, we are still six to eight months away from launching our back end in Japanese, giving our competitors competitive edge in a market that is, historically, very closed and difficult to penetrate.

Regardless, our objectives are to identify two to three Strategic partners and establish the basis for our relationship with one of these entity by September 2001.

Australia remains the best chance for CJ to very quickly establish a presence in this part of the world thanks to common language and our ability to pay affiliates in Australian dollar.

Here again, our plan is to identify a strategic partner who may be able to “boost” our entry into this market and our services. Simultaneously, we are also exploring the opportunity to establish relationships with a variety of Partners and insure our growth via this route.

5. AREA OF DEVELOPMENT THAT INTERNATIONAL IS UNDERTAKING

a) Intelligence

With the hiring of Gabriela and with the continued assistance of Chris White, we are now able to better utilize our existing knowledge base to extract information and intelligence from our network.

For example, we recently experimented with the “Web Hosting” category of merchants and conducted systematic research on revenues generated by countries, by type of pay out (commission, clicks, etc.) and compared it to account information from a sampling of merchants (2 with high revenues, 2 with average and 2 with poor or no results). Based on preliminary results, we were able to find a pattern in the type of pay out that works as well as the type of affiliates that are a good match for this category. This overview along with additional information make it easy for an account manager to quickly judge what type of program or affiliate work best for this category. As a result, an account manager will be able to better estimate results and give solid advices to merchants.

The sample intelligence on the next pages illustrate the results for some merchants in the Web Hosting category and represents a first attempt by our department at capturing and using this information in a concise and effective manner.

<u>Merchant Name</u>	<u>ID</u>	<u>Affiliates</u>	<u>Performers</u>	<u>Commision Setting</u>	<u>Link Performance</u>	<u>Top Affiliate By category</u>	<u>Affiliate by country</u>
	261043	596			11 banners	Web Services	USA
****					2 text links	Business	United Kingdom
					2 affiliate referral links	Commerce	Canada
						Computer & Electronics	Israel
	292229	8916			1 banner	Web Services	USA
****					3 text links	Art/Photo/Music	Singapore
					2 affiliate referral Links	Computer & Electronics	Russian Federation
						Business	Hungary
	507357	4094			4 banners	Careers	USA
**					2 text links		
					1 affiliate referral link		
	688634	3209			8 banners	No categories listed	No countries with revenue
**					3 text links		
	644415	65			6 banners	Travel	Belgium
					7 advanced offer	Web Services	China
					15 text links	Family	USA
						Home & Garden	
	239433	4649			20 banners	No categories listed	No countries with revenue
					1 advanced offer		
					3 text links		
					2 affiliate referral link		

Merchants Performing Very Well

Period	ID	NAME	LIVE DATE	COUNTRY	CATEGORY	CJR	SALE AMT	SALES	SALE COMM	CLICK	CLICK COMM	TOT COMM	AFF
2/1/2001	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2/1/2001	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Merchants with Moderate Business

Period	ID	NAME	LIVE DATE	COUNTRY	CATEGORY	CJR	SALE AMT	SALE	SALE COMM	CLICK	CLICK COMM	TOT COMM	AFF
10/1/2000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2/1/2001	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Merchants Performing Poorly

Period	ID	NAME	LIVE DATE	COUNTRY	CATEGORY	CJR	SALE AMT	SALE	SALE COMM	CLICK	CLICK COMM	TOT COMM	AFF
1/1/2001	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12/1/2000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Merchant Report By Country

(detail of revenues by countries are not shown here)

Domestic & International

October 01, 00 - March 1,01

	10/1/2000	11/1/2000	12/1/2000	1/1/2001	2/1/2001	3/1/2001	Grand Total
Total # of Merchants	█	█	█	█	█	█	█
Total Total Comm	█	█	█	█	█	█	█
Total Average Comm.	█	█	█	█	█	█	█
Total Total Sales	█	█	█	█	█	█	█
Total Total Sales \$	█	█	█	█	█	█	█
Total Total Leads	█	█	█	█	█	█	█
Total Total Leads \$	█	█	█	█	█	█	█
Total Total Paid Clicks	█	█	█	█	█	█	█
Total Total Click \$	█	█	█	█	█	█	█

By linking this information and automating this process as well as linking it to the affiliates' information (including e-mail addresses) we will have access to a powerful tool that will allow our sales force and Client Service personnel to have access to information on revenues, types of pay out, changes in pay out and effect that it had on a program, as well as the category and list of affiliates that are best the performers for these types of merchants.

Our goal is to make available to our personnel a full overview of what makes a program successful with potential results in any category by region or globally.

b) Account Development

As of March 31, [REDACTED] merchants were rated CJR [REDACTED] ([REDACTED] live). This represent [REDACTED]% of our network of merchants which are not generating any revenues. The intelligence gathering describe above will help us improve the performance of many merchants and should allow us to offer VAS such as Maximizer (or similar offers) to some of those customers that should have better results.

NAME	LIVE DATE	COUNTRY	CATEGORY	CJR
[REDACTED]	11/16/2000	Australia	[REDACTED]	[REDACTED]
[REDACTED]	10/27/2000	Australia	[REDACTED]	[REDACTED]
[REDACTED]	3/9/2001	Belgium	[REDACTED]	[REDACTED]
[REDACTED]	12/19/2000	Costa Rica	[REDACTED]	[REDACTED]
[REDACTED]	12/11/2000	Costa Rica	[REDACTED]	[REDACTED]
[REDACTED]	1/26/2001	Denmark	[REDACTED]	[REDACTED]
[REDACTED]	12/11/2000	France	[REDACTED]	[REDACTED]
[REDACTED]	12/21/2000	Germany	[REDACTED]	[REDACTED]
[REDACTED]	12/21/2000	Germany	[REDACTED]	[REDACTED]
[REDACTED]	8/25/2000	Germany	[REDACTED]	[REDACTED]
[REDACTED]	8/20/1999	Grenada	[REDACTED]	[REDACTED]
[REDACTED]	1/23/2001	Hong Kong	[REDACTED]	[REDACTED]
[REDACTED]	12/8/2000	Hong Kong	[REDACTED]	[REDACTED]
[REDACTED]	12/7/2000	Hong Kong	[REDACTED]	[REDACTED]
[REDACTED]	10/19/2000	Hong Kong	[REDACTED]	[REDACTED]
[REDACTED]	12/29/2000	Italy	[REDACTED]	[REDACTED]
[REDACTED]	11/13/2000	Italy	[REDACTED]	[REDACTED]
[REDACTED]	1/18/2001	Mexico	[REDACTED]	[REDACTED]
[REDACTED]	10/23/2000	Netherlands	[REDACTED]	[REDACTED]
[REDACTED]	9/26/2000	Netherlands	[REDACTED]	[REDACTED]
[REDACTED]	7/31/2000	Netherlands	[REDACTED]	[REDACTED]
[REDACTED]	3/16/2001	Norway	[REDACTED]	[REDACTED]
[REDACTED]	3/5/2001	Norway	[REDACTED]	[REDACTED]
[REDACTED]	11/27/2000	Singapore	[REDACTED]	[REDACTED]
[REDACTED]	2/15/2001	South Africa	[REDACTED]	[REDACTED]
[REDACTED]	1/24/2001	Sweden	[REDACTED]	[REDACTED]
[REDACTED]	1/8/2001	Switzerland	[REDACTED]	[REDACTED]
[REDACTED]	9/27/2000	Switzerland	[REDACTED]	[REDACTED]
[REDACTED]	5/28/1999	Switzerland	[REDACTED]	[REDACTED]
[REDACTED]	1/26/2001	Turkey	[REDACTED]	[REDACTED]
[REDACTED]	3/28/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	3/10/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	3/9/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	2/22/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	2/21/2001	United Kingdom	[REDACTED]	[REDACTED]

[REDACTED]	2/21/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	2/16/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	2/16/2001	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	12/21/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	12/12/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	12/1/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	11/20/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	11/13/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	11/13/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	11/2/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	9/22/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	9/6/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	8/31/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	7/21/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	7/20/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	7/7/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	4/12/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	3/20/2000	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	9/22/1999	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	8/3/1999	United Kingdom	[REDACTED]	[REDACTED]
[REDACTED]	4/1/1999	United Kingdom	[REDACTED]	[REDACTED]

Finally, it will also increase our productivity and allow our Client Services Executive to be better prepared for Value Added Services such as Maximizer.

c) Client Services

Client Services for international merchants consists of 5 people based in Santa Barbara ([REDACTED]), Amsterdam ([REDACTED]) and Hong Kong ([REDACTED]).

One of the characteristics of international Client Services was its emphasis on relying on a small group of people who can do technical integrations, undertake basic client services responsibilities and be account managers as well. While this approach made the process very streamline and allowed international to simplify its operations, this team was too removed from sales and too centralized to be as effective as it could be.

While this approach was needed for the launch of international Client Services, the needs of each sales center, Europe in particular, demand today a service that is more “customized” to the needs of each Sales Center, London in particular. For example, with 95 sophisticated merchants in the UK, this country requires more attention than the Benelux with 15 merchants that are not as adept to Affiliate Marketing and require a different level of service.

As a result, we are presently changing how Client Services is run by implementing direct lines of communication between the General Managers or Sales Managers and the Client Service person in charge of a country or region. This approach will speed up

communication by eliminating intermediaries and by empowering each individual in the Client Services' team to better perform based on clearly understood goals, priorities and shared accountability.

In this environment, Santa Barbara will provide support and training to insure that all Client Services personnel are up to date on new features or other issues that may help their performance.

A "safety net" will be in place to solve any problems that may arise from competing priorities of various GMs or Sales Managers. The same will be done to insure equilibrium for merchants' integration between the various Client Services people.

d) Sales

The goal of international is to review our plans for 2001 and adjust the goals and projection for the second half of 2001 to meet Commission Junction's objective of profitability by Q4 of this year.

In doing so, we will be aggressively launching Value Added Services such as Power Launch and Maximizer and exploring new venues of revenues via banners on our international web sites, tracking of existing partnerships between our merchants and publishers that are not part of the CJ network and other uniquely international services via our partners or directly.

The June 4 meeting in London is the platform that will be used to explore these ideas and initiate these offers.

e) Affiliate Recruitment

Affiliate recruitment is the most complex and difficult issue that we've come across. The process of finding and recruiting affiliates that are qualified and who will generate some kind revenues is very tedious and time consuming.

To date no methodology seems to adequately solve this issue since results have been somewhat limited.

As a result, we are looking into various options including the creation of a web site and merchant account that will have for primary goal to advertise and generate exposure for our international recruitment. Another effort will be to more emphasis on promoting CJ as the affiliate friendly network via PR and other promotional methods.

6) CONCLUSION

Overall growth for international during the first quarter of 2001 has been robust considering that we've experienced one of the most active expansion period of our "life" (London was increased from one to three people, Paris was inaugurated, Client Services in Europe was launched) and encountered some difficulties ([REDACTED] went on sick leave

for six weeks, Carlos has been on a leave of absence since January 30 waiting for his paperwork).

During that same period, we undertook a tedious but necessary review of all existing merchants' accounts. This was undertaken with two objectives:

- 1) Standardize account review and methodology between Client Services personnel
- 2) Better understand and evaluate our merchant base.

While this process took over a month to complete, we have a better understanding of some of the problems that our clients are facing. Additionally, our retention rate has been very high as a result of a positive perception of our client services.

Q1 was also a turning point in our international endeavor as we witnessed tremendous growth in the UK. This country has now become the second largest market for CJ and we are the leading affiliate marketing provider in the UK. In the same manner, and as indicated by the charts on page 3 and 4, international merchants in Latin America contributed substantially to our revenues while in Asia the growth of commissions paid out by merchants has been accelerating.

As anticipated, sales for international have leveled out in April with commissions paid at US\$ [REDACTED] (after adjustment) by merchants or 7.2 % increase from March. This should improve somewhat in May (estimated at \$ [REDACTED] - after adjustment - or again a growth of 14%).

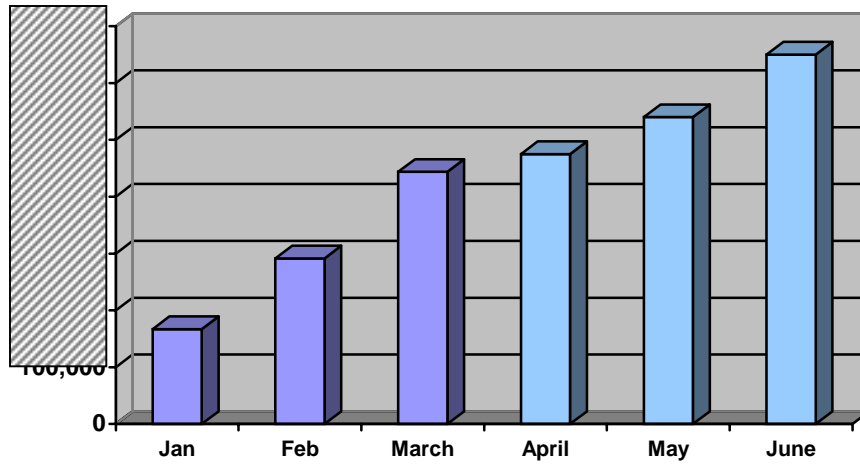
However, we anticipate that our efforts in the re-organization of client services, the addition of sales personnel and the availability of some intelligence will help sales in the second half of June and in July where we anticipate growth to climb to 20 to 30% per month.

As a result and, as previously mentioned, our anticipated average growth of 30% to 39% monthly for 2001 should be on target.

However, should we decide to increase the localization effort that we are now starting (affiliate registration pages in French and other languages are schedule to launch on May 29) this growth should increase proportionally and I am confident that we would meet or surpass the initial projection for revenues that were established in December.

Updated data - June 15, 01

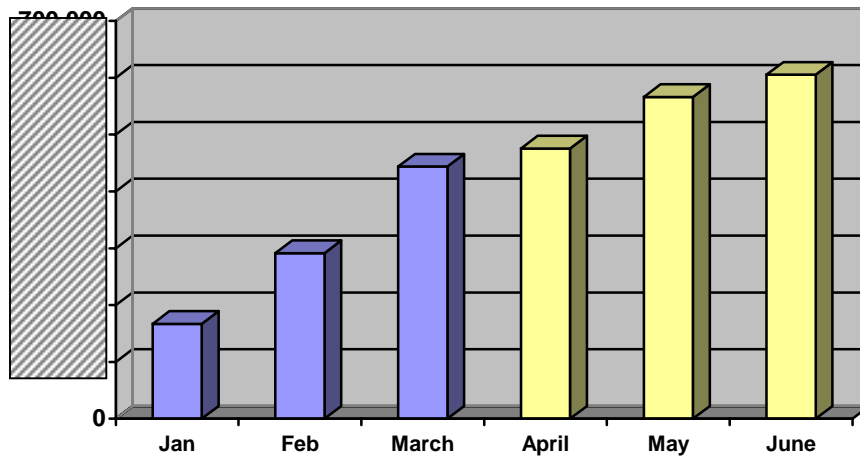
Revenue Projections



Dec 00	Jan 01	Feb	March	April	May	June
\$ [redacted]	\$ [redacted]	\$ [redacted]	\$ [redacted]	[redacted] *	[redacted] *	[redacted] *

* Estimated Revenues

Actual Revenues



Dec 00	Jan 01	Feb	March	April	May	June
\$ [redacted]	\$ [redacted]	\$ [redacted]	\$ [redacted]	[redacted]	[redacted]	[redacted] *

* On June 11, CJ announces that it was abandoning its international efforts.